

APPENDIX C
STANDARD RANGE OF FEES

SERVICE FEE GUIDELINES		
FEES	BASIS	BENCHMARKS
Base Hotel Management Fees (1)	Based On Total Revenue	2% to 3% (Scaleable To Stabilization)
Incentive Hotel Management Fees (1)	Based On Income Before Fixed Charges Less Replacement Reserves	5% to 10% (Scaleable To Stabilization)
Base Development Management Fees (2)	Based On Project Development Costs Excluding Transaction Costs	2% to 3%
Incentive Development Management Fees (2)	Based On Project Development Costs Excluding Transaction Costs	1% to 2%
Base Construction Management Fee (3)	Based On Hard Construction Cost	2% to 3%
Incentive Construction Management Fee (3)	Based On Hard Construction Cost	2% to 3%
Return On Equity (If applicable)	Cash Equity Contribution (If applicable)	<18%
<p>General Note: The information above is intended to assist the offeror in responding to the RFQ. The Fees and Return On Equity will be reviewed and evaluated both individually and in their entirety for comparison purposes during the selection process and ranked according to the overall financial impact that the proposal has on the project. The selected offeror from the RFQ process should expect that, as with all other aspects of their RFQ plan for the project, the specific details, including the final amount of each fee, will be concluded during the LDMP phase.</p> <p>Note 1: The Army expects the combined base and incentive fees will range between 3% and 5% of total revenues and shall be largely based upon performance.</p> <p>Note 2: The Army expects the combined base and incentive fees will range between 3% and 5% of hard and soft development costs (excluding financing and other transactional costs) and shall be largely based upon performance.</p> <p>Note 3: The Army expects the combined base and incentive fees will range between 3% and 6% of construction hard costs and shall be largely based upon performance. Inclusion of general conditions and overhead will be negotiated during the LDMP process.</p>		